

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-360-C - ORDER NO. 2007-870
DECEMBER 12, 2007

IN RE:	Application of Southern Digital Network,)	ORDER
	Inc. DBA FDN Communications and NuVox)	APPROVING
	Communications, Inc. for Approval of an)	REORGANIZATION
	Internal Corporate Reorganization)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Joint Application of Southern Digital Network, Inc. d/b/a FDN Communications (SDN) and NuVox Communications, Inc. d/b/a NuVox Communications (NuVox)(together, the Joint Applicants) for authority to consummate an internal corporate reorganization whereby SDN and NuVox will be consolidated into a single operating subsidiary, i.e. NuVox. Specifically, SDN will be merged with and into its affiliate, NuVox, and the customers of SDN will become customers of NuVox. The Joint Application reveals that for existing SDN customers, the only change will be in the name of their service provider. Their existing rates, terms, and conditions of service will remain the same. Additionally, existing NuVox customers will be unaffected by the proposed transaction.

The Joint Applicants published a Notice of Filing in newspapers of general circulation in the Joint Applicants' service area. No protests or Petitions to Intervene were filed.

Subsequently, the Joint Applicants filed a Motion for Expedited Review, along with the verified testimony of Susan Berlin, Vice President-Senior Regulatory Counsel of NuVox. We grant expedited review, and will proceed to review the merits of the case based on the verified testimony.

Ms. Berlin describes the basic request and details as stated above, and states that the internal reorganization as described will simplify NuVox, Inc.'s corporate structure, streamlining its operations, eliminating administrative redundancy and improving overall efficiency. In South Carolina, SDN is authorized to provide competitive local exchange and interexchange telecommunications services. SDN will be merged out of existence as a result of the consolidation, and, as such, SDN voluntarily surrenders its telecommunications authorization effective as of the closing date of the consolidation.

Further, Ms. Berlin notes that the consolidation of the operating subsidiaries of NuVox, Inc. in South Carolina into a single entity, Nuvox, is anticipated to occur via the merger of SDN with and into NuVox, with NuVox remaining as the surviving corporation and assuming all of SDN's assets and operations. As a result of the reorganization, NuVox will provide service to its existing customers as well as the former SDN customers pursuant to NuVox's existing authorization. NuVox will remain wholly owned by NuVox, Inc. The closing of the transaction will be contingent upon the receipt of the required regulatory approvals. NuVox will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer.

Also, Ms. Berlin states that NuVox will file amended tariffs to include all grandfathered legacy SDN services and all legacy SDN services that will continue to be

marketed in the future by NuVox. After the tariffs are filed and the reorganization is consummated, SDN will cancel or withdraw its tariffs. Thus, customers to be transferred from SDN to NuVox will not experience any change in their telecommunications services. The only change will be their new service provider, which will be NuVox.

The witness states that the proposed internal reorganization will serve the public interest. Ms. Berlin states that the reorganization will generally be transparent to customers and will have no adverse impact on them. Existing SDN customers will be notified of the change in their service provider from SDN to NuVox and will continue to receive the same services at the same rates, terms, and conditions of service. Existing NuVox customers will continue to be served by NuVox. Ms. Berlin notes that the proposed consolidation will provide significant reductions in legal, accounting and tax administrative burdens and will simplify the NuVox, Inc. companies' corporate structure, eliminating administrative redundancy and improving the companies' overall efficiency, thereby enhancing the company's ability to compete in South Carolina and elsewhere. Further, Ms. Berlin states that over time, customers in South Carolina will benefit from a greater number of product and service options as well as more efficient prices resulting from the enhanced ability of the streamlined company.

S.C. Code Ann. Section 58-9-310 (Supp. 2006) states that no telephone utility, without the approval of the Commission after due hearing and compliance with all other existing requirements of the laws of the State in relation thereto, may transfer...or merge its property, powers, franchises, or privileges or any of them....We have examined the record before us in the present case, and conclude that the relief sought should be granted

as serving the public interest, and as in compliance with South Carolina law. As the witness stated, existing SDN customers will be notified of the change in advance, and will not see any changes in their rates, terms, and conditions of service. Existing NuVox customers will continue to be served by NuVox. In any event, the relief sought in the Joint Application is hereby granted.

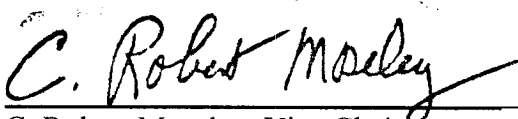
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)